

## Agency Purpose

The mission of Explore Minnesota Tourism (EMT) is to promote and facilitate increased travel to and within the state of Minnesota by increasing nonresident travel, stimulating travel in-state by Minnesota residents and sustaining and growing travel related sales. EMT markets Minnesota in North America and internationally as a travel destination to consumers, tour operators, group tours and travel agents, promotes coverage of Minnesota by domestic and international travel media, and initiates, develops, and coordinates activity with travel industry buyers and sellers. EMT leverages its resources by generating over \$3.5 million in cash and in-kind partnerships.

EMT previously was the Office of Tourism and a division of the Department of Employment and Economic Development (DEED). Effective 7-1-04, the legislature transferred all of the duties to EMT. At the urging of the Minnesota tourism industry, a separate state entity for tourism was created to facilitate more industry partnerships. An Explore Minnesota Tourism Council representing a diverse statewide tourism sector groups was created.

Funding for research, communications, rent and operations are added to EMT's base from DEED for the biennium ending 6-30-07. Statutory authority for EMT resides at M.S. 116U.05.

## At A Glance

- ◆ Travel and tourism in Minnesota generates over \$8.9 billion to Minnesota's economy each year.
- ◆ State and local tax revenue from tourism totals \$1.1 billion: dollars that can be used for education, health care, roads, and the environment
- ◆ The leisure and hospitality industry provides over 230,000 jobs throughout the state of Minnesota. It is expected to grow by 19.2% by 2010.
- ◆ Every dollar invested in tourism marketing provides a return of investment of \$4.60 in new state and local taxes, \$20.40 in wages, and \$53.00 in gross sales.
- ◆ Minnesota hosts more than 24 million travelers each year.

## Core Functions

To fulfill its mission and achieve its strategic objectives, EMT is organized into three areas: Advertising and Marketing, Operations and Consumer Services, and Industry Relations.

**Advertising and Marketing:** This area includes advertising and promotions directed to potential travelers. EMT uses a variety of advertising tactics involving print media, television and radio, direct mail, electronic and partnership marketing. The primary market is the 12-state North Central Region, which generates about 83% of Minnesota's U.S. visitors. Public relations and media relations efforts are conducted to generate positive media coverage of Minnesota travel opportunities. The EMT also engages in consumer shows, and publishing partnerships. This area also markets Minnesota as a travel destination to international markets, group tour operators, and travel agents. Marketing targets are North America tour operators and international markets including Canada, Japan, the United Kingdom, Germany, and Scandinavia.

**Operations and Consumer Services:** This unit handles customer inquiries and provides travel information to travelers and potential travelers. EMT Contact Center handles inquiries via the phone, fax and Internet in response to consumer advertising programs. Travel information is delivered person-to-person to visitors at highway Travel Information Centers located throughout the state. EMT operates six, and five are operated by local tourism organizations in partnership with EMT. An extensive database maintained by this unit includes detailed information on approximately 2,600 accommodations, 1,700 attractions, and 2,500 events. The database is available to consumers through [exploreminnesota.com](http://exploreminnesota.com) and through travel counselors using Journey, the customized travel planning service. This unit also tracks indicators of travel levels and performance measures of EMT programs.

**Industry Relations:** Industry Relations is responsible for facilitating two-way communication between EMT and the state's tourism industry, facilitating organizational and interagency partnerships, special events, and providing community based marketing assistance. This unit also monitors public policy issues that may affect tourism in Minnesota. Regional staff are located in Brainerd, Duluth, Mankato, and Thief River Falls, as well as St. Paul. Explore Minnesota Tourism awards grants and enters into tourism-related marketing partnerships with non-profit tourism organizations to maximize both state and local resources to generate non-residents travel expenditures

within Minnesota and to retain travel dollars from Minnesotans within the state. All grants and marketing partnerships must meet established criteria and include matching fund requirements and performance measures.

**Key Measures**

	CY 2002	CY 2003	CY 2004
Number of travelers to Minnesota (thousands trips per year)	24,397	24,871	25,801
Sales in Minnesota generated by travelers (billions)	8.9	9.2	9.6
Employment in leisure and hospitality industry (thousands)	229	233	235

\*Targets

**Budget**

Explore Minnesota Tourism has a General Fund budget of \$8.1 million in FY 2005. Annual special revenue funds total approximately \$1.0 million.

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Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	0	0	8,059	8,059	16,118
<b>Forecast Base</b>	<b>0</b>	<b>0</b>	<b>8,626</b>	<b>8,626</b>	<b>17,252</b>
Change		0	567	567	1,134
% Biennial Change from 2004-05					n.m.
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	8,909	8,626	8,626	17,252
<b>Statutory Appropriations</b>					
Special Revenue	0	977	998	1,017	2,015
Federal	0	29	0	0	0
<b>Total</b>	<b>0</b>	<b>9,915</b>	<b>9,624</b>	<b>9,643</b>	<b>19,267</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	0	3,069	3,108	3,183	6,291
Other Operating Expenses	0	5,876	5,546	5,490	11,036
Local Assistance	0	970	970	970	1,940
<b>Total</b>	<b>0</b>	<b>9,915</b>	<b>9,624</b>	<b>9,643</b>	<b>19,267</b>
<b><u>Expenditures by Program</u></b>					
Explore Minnesota Tourism	0	9,915	9,624	9,643	19,267
<b>Total</b>	<b>0</b>	<b>9,915</b>	<b>9,624</b>	<b>9,643</b>	<b>19,267</b>
<b>Full-Time Equivalents (FTE)</b>	<b>0.0</b>	<b>49.9</b>	<b>49.9</b>	<b>49.9</b>	